GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:951
ANSWERED ON:28.07.2000
SETTING UP OF INDUSTRIES IN ADIVASI AND BACKWARD DISTRICTS
RAM TAHAL CHOUDHARY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the industrialists are not eager to set up industries in the Adivasi and backward districts of the country, particularly in Bihar, due to lack of infrastructure ;
(b) if so, whether the State Governments, especially Bihar Government have sent proposals to the Union Government for setting up of industries in the Adivasi and backward districts so that balance of industrial development of these districts is maintained and to create employment opportunities at the local level ;
(c) if so, the details thereof, state-wise; and
(d) the effective steps being taken by the Government in this regard ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) : Lack of appropriate infrastructure in the Adivasi and backward districts/areas in the country is an important factor for low investments in these areas. Less than 2% of total investment in the country has been made in Bihar since the announcement of the new Industrial Policy in 1991.

(b) to (d) : Under the new Industrial Policy, licence or approval from the Central Government is not required to set up industries except in few specified sectors. Decisions for investment are now left to the commercial perception of the entrepreneurs.
Government has in operation Schemes viz. Growth Centre Scheme and Integrated Infrastructure Development (IID) Scheme, for the develop- ment of infrastructure in backward areas to attract industries. Six growth centres have been sanctioned in Bihar under the Growth Centre Scheme at (1) Begusarai (2) Bhagalpur (3) Chhapra (4) Darbhanga (5) Hazaribagh and (6) Muzaffarpur. No proposal has been received from Bihar to set up any IID Centre in the State.
Besides subsidies are available to industries in the notified areas under the Transport Subsidy Scheme, Capital Investment Subsidy Scheme, the Central Interest Subsidy Scheme and the Central comprehensive Insurance Scheme. Tax concessions are also available to industries in the notified backward districts/areas.